

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ANGEL M. CASTILLO,

Defendant.

) INDICTMENT

JUDGE GAUGHAN

) CASE NO.

1:20 CR 054.

Title 31, United States Code,
Sections 5324(b)(1) and (d)

COUNT 1

(Structuring, 31 U.S.C. §§ 5324(b)(1) and (d))

The Grand Jury charges:

1. From on or about February 20, 2017 to on or about February 22, 2018, in the Northern District of Ohio, Eastern Division, Defendant ANGEL M. CASTILLO ("CASTILLO") was a sales associate working at Saks Fifth Avenue in Beachwood, Ohio ("Saks").

2. Audrey J. Gibson ("Gibson") and her husband, Donte Gibson ("D. Gibson"), with the assistance of D. Gibson's daughter, Dontaysha Gibson, individuals previously charged and known to the Grand Jury, but not charged herein, operated a drug trafficking organization ("DTO") that operated in the Northern District of Ohio, Eastern Division, and elsewhere, distributing fentanyl and carfentanil.

3. Gibson's and D. Gibson's only source of income was from distribution of narcotics. They had no other legitimate source of income, and dealt primarily in cash from their DTO.

4. Internal Revenue Service ("IRS") reporting requires a business, such as Saks, that receives more than \$10,000 in cash from one buyer as a result of a single transaction or two or more related transactions to complete and file a Report of Cash Payments Over \$10,000 Received in a Trade or Business ("Form 8300"), with the IRS. The Form 8300 provides valuable information to the IRS and the Financial Crimes Enforcement Network ("FinCEN") in their efforts to combat money laundering, which is a tool used to facilitate various criminal activities, including drug trafficking.

5. From on or about April 20, 2017 to on or about February 12, 2018, in the Northern District of Ohio, Eastern Division, CASTILLO assisted Gibson to make multiple purchases at Saks using cash and/or a combination of cash, gift cards, and credit cards, along with straw purchasers, to avoid Saks reporting requirement to file a Form 8300 with the IRS.

6. In or around March 2017, in the Northern District of Ohio, Eastern Division, Gibson applied for and opened a Saks Fifth Avenue Store Card, account number xxx7412 (formerly account number xxx6415).

7. From on or about April 6, 2017 to on or about December 30, 2017, in the Northern District of Ohio, Eastern Division, Gibson made payments on her card totaling approximately \$208,504, using cash in-store at Saks.

8. From on or about July 30, 2016 to on or about February 12, 2018, in the Northern District of Ohio, Eastern Division, Gibson made purchases of approximately \$686,850.71 from Saks, in part with CASTILLO's assistance, and used a combination of cash, her Saks Fifth Avenue Store Card, her American Express card account number xxx1001, a debit card account number xxx5411, and her VISA card account number xxx6807 to pay for them.

9. From on or about April 20, 2017 to on or about February 12, 2018, in the Northern District of Ohio, Eastern Division, CASTILLO received approximately \$77,070.72 in cash from Gibson that CASTILLO used to pay down Gibson's Saks credit card so that she could continue to make purchases, and structured the purchases for her and others so that it did not appear that Gibson spent over \$10,000 in cash on any one day in order to avoid the Form 8300 reporting requirements.

10. CASTILLO knew that an expenditure by Gibson of more than \$10,000 in cash would trigger Saks' requirement to complete a Form 8300 advising the IRS of the purchase and that Gibson wanted to avoid triggering the 8300 filing. In order to avoid the Form 8300 filing requirement, CASTILLO monitored Gibson's cash spending amount throughout Gibson's sales transactions to make sure she stayed under the \$10,000 cash threshold.

11. CASTILLO was aware that Gibson paid off her Saks Credit Card in the store with cash, and then purchased merchandise with her Saks Credit Card in lieu of cash as part of the structuring scheme.

12. CASTILLO was also aware that Gibson paid off or down other cards, such as her American Express card, with money orders purchased with cash; and then purchased merchandise with those cards in lieu of cash as part of the structuring scheme.

13. On or about May 17, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO sent the following separate texts to Gibson:

"I've got three things coming for you Friday."

"Hey sorry to bother but, we have a little over 8k for Donte cause we got another polo."

"And for you we have three things coming tomorrow - we don't want you to go over the 10k in cash."

14. On or about May 26, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO suggested to Gibson via separate texts that for some extra cash he could make an exception to the \$10,000 cash limit for her:

“If you have some extra cash will I'll probably be able to make some exceptions for you ;-).”

“We can prob do 17k in cash for you ;).”

But, instead, Gibson advised that she would be bringing a friend with her to be used as a straw buyer. Specifically, Gibson texted CASTILLO the following:

“But I have my friend he can buy some items.”

To which CASTILLO texted in response, “Perfect.”

15. On or about July 3, 2017, in the Northern District of Ohio, Eastern Division, the Saks Assistant General Manager for Beachwood counseled the sales associates, including CASTILLO, about the Form 8300 reporting requirement and Saks' company policy.

16. On or about July 7, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO continued to brainstorm ways in which Gibson could avoid the Form 8300 filing and, specifically, texted the following:

“I have an idea.”

“What if you buy some Amex or saks gift cards at Giant Eagle or something and then you can give it to me and we use those as payment.”

“And then one one [sic] can say anything anymore.”

17. On or about July 20, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO and Gibson again texted regarding how she could avoid the 8300 reporting requirement as follows:

CASTILLO asked Gibson in advance of a straw buyer making a purchase for her, “Is he bringing a friend?”

Gibson texted back, "Paul no but 6 will be on card and the remainder will be cash so it should be fine."

CASTILLO then advised Gibson, "Bring 10k."

Gibson texted back, "In cash or total?"

To which, CASTILLO texted back, "In cash."

18. On or about August 9, 2017, in the Northern District of Ohio, Eastern Division, Gibson suggested via text to CASTILLO that she might use Paypal to avoid the Form 8300 requirement, but CASTILLO advised that he believed that there would be a limit of \$10,000. Specifically, they texted:

Gibson then questioned CASTILLO, "There's gonna be some kind of limit don't u think lol?"

CASTILLO texted back, "Prob 10k."

Gibson texted, "What if I buy all PayPal load it on PayPal and pay like tht [sic]?" "What about making a payment?"

19. On or about August 10, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO texted Gibson about another scheme in which she could avoid the 8300 reporting requirement. Specifically, CASTILLO advised Gibson, "We can do a cash payment today and put some cash on gift cards (under another name like Paul's) for the online purchases. Then we can use your cards that have a balance and saks [sic] too for some items in store."

20. On or about October 17, 2017, in the Northern District of Ohio, Eastern Division, Gibson stated the following to CASTILLO via text regarding issues her husband had with the reporting requirement:

"Donte started flipping on me today talking about if he can't come up their and cash out without giving his info then he will do it but he said if we go out of town he can throw 20 at any store and they won't ask no questions."

In response to Gibson's text, CASTILLO advised Gibson of the following via separate texts:

"You guys can always do 10,000 each and then do a 5000 payment on the account."

"You guys can always come spend what you want and then do 5000 on gift cards- You can put on saks cards and also get Amex gift cards."

"The only way around having to fill out the form is to start loading up gift cards... Saks gift cards and then working off of them that way as well as you guys doing cash payments of 10,000 each."

CASTILLO also offered to hold cash for Gibson and her husband to be applied the next day to avoid the 8300 reporting requirement if Gibson was comfortable with that. Specifically, CASTILLO texted, "And honestly I would hold 5k for y'all anytime you come in and I can do the payment for you guys the following day without y'all even there and mail you the receipt."

21. On or about October 19, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO texted Gibson and asked, "Are you bringing anyone with you that if we go over the 10k each we can put it under their name?"

22. On or about October 23, 2017, in the Northern District of Ohio, Eastern Division, CASTILLO again texted Gibson about how to avoid the 8300 reporting requirement by stating, "We can start doing more cash and putting it under other peoples name," and "Then start putting cash on saks gc [sic] so we can keep buying things off online cause some of the stuff we can't always get in as you know."

23. On or about October 25, 2017, in the Northern District of Ohio, Eastern Division, Gibson had an issue come up with her Saks account and reached out to CASTILLO to help her figure out what this issue was. CASTILLO agreed to assist, but expressed his concern if Saks looked too closely into their previous sales transactions. Specifically, CASTILLO texted:

"hey I am definitely looking into this matter for you... Although, I am afraid that if they look too deep into it they may see times that we've wrong [sic] thing under other people name..."

In response to CASTILLO, Gibson texted:

"Yea I don't know I don't want to get in no shit for spending money."

CASTILLO texted back:

"That what I'm saying." and "I'm scared of that too cause I could go down for helping."

24. From on or about February 20, 2017 to on or about February 22, 2018,

CASTILLO knowingly and for the purpose of evading the reporting requirements did cause and attempt to cause Saks Fifth Avenue, a nonfinancial trade or business, to fail to file a report required under Section 5331 of Title 31 regarding several transactions, including but not limited to the following transactions:

TRANSACTION	DATE	AMOUNTS	METHOD OF PAYMENT	CLIENT(S)
1	10/19/17	\$3,126.60 \$7,527.60 \$9,072.00	Saks Credit Card Cash Cash	Audrey Gibson Dontaysha Gibson
2	10/24/17	\$2,722.00 \$5,454.00 \$5,000.00	Cash Cash AMEX Credit Card	Audrey Gibson
3	11/16/17	\$15,768.00 \$9,309.60 \$258.12 \$5,000.00	Saks Credit Card Cash Saks Credit Card Cash	Audrey Gibson
4	11/17/17	\$2,600.00 \$5,616.00 \$2,500.00 \$176.04 \$712.80 \$432.00	Cash Saks Credit Card Cash Cash Cash Cash	Audrey Gibson Dontaysha Gibson
5	11/24/17	\$1,393.20 \$1,409.10 \$4,311.40 \$5,000.00 \$1,590.24	Cash Saks Credit Card Cash Cash Cash	Audrey Gibson Dontaysha Gibson

6	11/25/17	\$399.60	Cash	Audrey Gibson Dontaysha Gibson Donte Gibson
		\$3,186.00	Cash	
		\$1,814.00	AMEX Credit Card	
		\$5,000.00	Cash	
		\$3,594.89	Cash	
		\$3,118.18	Cash	

25. From on or about February 20, 2017 to on or about February 22, 2018, CASTILLO knowingly and for the purpose of evading the reporting requirements of Section 5331 of Title 31, United States Code, and the regulations promulgated thereunder, in the Northern District of Ohio, Eastern Division, did cause and attempt to cause a nonfinancial trade or business, that is Saks Fifth Avenue, to fail to file a report required under Section 5331 of Title 31, and any regulation prescribed under any such section.

All in violation of Title 31, United States Code, Sections 5324(b)(1) and (d), and Title 31, Code of Federal Regulations, Section 1010.330.

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.